

*Congressman Carnahan continues support for common-sense tax relief*

(Washington, DC) -- The Making Work Pay tax credit, the tax reduction centerpiece of the American Recovery and Reinvestment Act, goes into effect today. It is designed to help middle-class families get back on their feet and restore some fairness to the tax code. IRS guidance asks that, by April 1, employers must have instituted the lower withholdings for their employees.

As a result of the tax credit, families across the country are seeing more money in their paychecks. This is one of the fastest and broadest tax cuts in American history. The credit provides over 110 million working families-about 95%-the tax relief they need right now.

**"This credit puts money back into the pockets of working Americans,"** said Carnahan. **"Estimates point to more than 2.2 million Missouri families and 4.8 million families in Illinois eligible to receive tax relief under the passed plan."**

The Making Work Pay tax credit provides a refundable tax credit of 6.2 percent of earned income up to \$400 for working individuals and \$800 for married taxpayers for 2009 and 2010. It also gives families at least a \$65 dollar per month increase in their take home pay.

The tax credit phases out for taxpayers with modified adjusted gross income in excess of \$190,000 for married workers and \$95,000 for other workers.

**"One form of relief we can offer those struggling to make ends meet is to put money into their pockets,"** said Carnahan. **"The tax cuts being implemented today are aimed at working people who are being squeezed by rising costs and stagnating wages."**

In an effort to get much needed cash to hard working Americans as quickly as possible, the IRS issued a new set of withholding tables <http://www.irs.gov/pub/irs-pdf/n1036.pdf> structured to get the tax credit to America's workers in cash over the course of the year.

###